

State of Wisconsin • DEPARTMENT OF REVENUE

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Wisconsin's Tax Climate Has Improved Dramatically

Richard G. Chandler, Secretary of Revenue

When the income tax filing deadline arrives in April, people often ask how Wisconsin's tax burden compares with other states. The good news for Wisconsinites is that the state's tax climate has improved dramatically in recent years.

One of Governor Walker's top priorities is reducing taxes, and we've made a lot of progress. When added to the tax cuts made in previous years, the 2017-19 budget bill proposal would result in \$8 billion in tax relief over an eight year period. An important lesson from the past several years is that tax reduction measures add up to significant relief if you keep working at making cuts year after year.

We know people want more to be done. Governor Walker's budget bill proposal would continue our progress. It calls for further income tax rate cuts for all taxpayers, with the most relief for middle class taxpayers and also calls for removing the state portion of your property tax bill.

Wisconsin's tax burden was very close to the national average in 2014, the most recent year for which comparative figures are available from the U.S. Census Bureau. From 2010 to 2014, Wisconsin outperformed 43 other states in reducing the overall tax burden.

That's a huge improvement from 20 years ago, when we ranked third highest among the states. Tax cuts in the 1990s started to reduce our burden and by 2010 our rank had dropped to ninth. Since 2011, we've improved even more.

Since 2011, each of Governor Walker's budget bills has prioritized tax relief, including:

- Implementing significant income tax rate cuts focused on middle income taxpayers.
- Increasing income tax deductions used by middle class families to offset the costs of health care, child care and education.
- Adopting property tax relief initiatives that have reduced the property tax burden for a median value home since 2010.

Our sales tax burden continues to be far below the national average, and our corporate income tax burden is average. Back in the 1980s and 1990s, Wisconsin had an unwelcome reputation as a "tax hell," and we want people to know that's been changed.

We want Wisconsin residents to keep more of their hard-earned money in their pockets. We don't want a high tax burden to overshadow Wisconsin's great quality of life. We've made Wisconsin's tax climate much more competitive and we want to reduce income and property taxes even more in the next two years to keep our momentum going.